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11 Chapter 9 Counsel for Tulare Local Healthcare District

12
 13 **UNITED STATES BANKRUPTCY COURT**
 14 **EASTERN DISTRICT OF CALIFORNIA**
 15 **FRESNO DIVISION**

16 In re

Case No. 17-13797

17 TULARE LOCAL HEALTHCARE
 18 DISTRICT, dba TULARE REGIONAL
 19 MEDICAL CENTER,

Chapter: Chapter 9

DC No.: BPC-001

Debtor.

20 Tax ID #: 94-6002897
 21 Address 869 N. Cherry St.
 22 Tulare, CA 93274

Date: October 25, 2018
 Time: 9:30 a.m.
 Ctrm.: 13
 2500 Tulare Street
 Fresno, CA 93721
 Judge: Honorable René Lastreto II

23 **ORDER APPROVING STIPULATION TO CONTINUE HEARING ON WELLS FARGO**
 24 **VENDOR FINANCIAL SERVICES, LLC'S MOTION FOR ORDER (A) COMPELLING**
 25 **ASSUMPTION OR REJECTION OF EQUIPMENT LEASES AND (B) DIRECTING**
 26 **PAYMENT OF POST-PETITION ADMINISTRATIVE RENT OR, ALTERNATIVELY, (C)**
 27 **TERMINATING THE AUTOMATIC STAY**

28 The Court having reviewed the Stipulation to Continue Hearing on Wells Fargo
 Vendor Financial Services, LLC's Motion for Order (A) Compelling Assumption or
 Rejection of Equipment Leases and (B) Directing Payment of Post-Petition
 Administrative Rent Or, Alternatively, (C) Terminating the Automatic Stay ("Stipulation")¹
 entered into by and between Tulare Local Healthcare District, dba Tulare Regional

¹ Capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Stipulation.

1 Medical Center (the "District") and WELLS FARGO VENDOR FINANCIAL SERVICES,
2 LLC ("WFVFS") (WFVFS and the District are referred to herein, collectively, as "the
3 Parties"), by and through their respective counsel, and good cause appearing to approve
4 the Stipulation,

5 IT IS HEREBY ORDERED, ADJUDGED AND DECREED AS FOLLOWS:

6 1. The Stipulation, a copy of which is attached hereto as Exhibit A, is
7 approved.

8 2. The District shall determine whether it will assume or reject WFVFS's
9 Potential Assumed Contract(s) by October 31, 2018.

10 3. As the hearing on assumption and assignment of WFVFS's Potential
11 Assumed Contract(s) has been continued to November 29, 2018 at 9:30 a.m. (with the
12 District's deadline to file a response to the Objection having been fixed as November 15,
13 2018), the hearing on WFVFS's Motion to Compel Assumption or Rejection of
14 Equipment Leases and (B) Directing Payment of Post-Petition Administrative Rent Or,
15 Alternatively, (C) Terminating the Automatic Stay currently scheduled for October 25,
16 2018, at 9:30 a.m. also is hereby continued to November 29, 2018, at 9:30 a.m.

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1 4. WFVFS's Potential Assumed Contract(s) shall not be assumed by the
2 District absent a resolution of the "cure amount" and related issues by mutual consent of
3 the Parties or by further order of the Court.

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5 Submitted by:

6 WALTER WILHELM LAW GROUP,
7 a Professional corporation

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9 Danielle J. Bethel
10 Attorneys for Tulare Local Healthcare District, dba
11 Tulare Regional Medical Center
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16 IT IS SO ORDERED.

17 Dated: Oct 17, 2018

By the Court

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19 René Lastreto II, Judge
20 United States Bankruptcy Court
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12 In re

13 TULARE LOCAL HEALTHCARE
DISTRICT, dba TULARE REGIONAL
14 MEDICAL CENTER,

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16 Tax ID #: 94-6002897
Address 869 N. Cherry St.
17 Tulare, CA 93274

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Chapter: Chapter 9

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Date: October 25, 2018

Time: 9:30 a.m.

Ctrm.: 13

2500 Tulare Street
Fresno, CA 93721

Judge: Honorable René Lastreto II

18 **STIPULATION TO CONTINUE HEARING ON WELLS FARGO VENDOR FINANCIAL**
19 **SERVICES, LLC'S MOTION FOR ORDER (A) COMPELLING ASSUMPTION OR**
20 **REJECTION OF EQUIPMENT LEASES AND (B) DIRECTING PAYMENT OF POST-**
21 **PETITION ADMINISTRATIVE RENT OR, ALTERNATIVELY, (C) TERMINATING THE**
22 **AUTOMATIC STAY**

23 Tulare Local Healthcare District, dba Tulare Regional Medical Center (the
24 "District"), the debtor in the above-captioned case, and Wells Fargo Vendor Financial
25 Services, LLC ("WVFS") (WVFS and the District are referred to herein, collectively, as
26 "the Parties"), hereby stipulate and agree to continue the hearing on the WVFS's
27 Motion for Order (A) Compelling Assumption or Rejection of Equipment Leases and (B)
28 Directing Payment of Post-Petition Administrative Rent Or, Alternatively, (C) Terminating
the Automatic Stay, as set forth below.

STIPULATED FACTS

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2 A. On September 30, 2017 ("Petition Date"), the District commenced its
3 Chapter 9 case.

4 B. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 157 and
5 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core
6 proceeding under 28 U.S.C. § 157(b)(2).

7 C. This stipulation is entered into pursuant to 11 U.S.C. §§ 365 and 901 and
8 LBR 9019.

9 D. On June 29, 2018, WFVFS filed its Motion for Order (A) Compelling
10 Assumption or Rejection of Equipment Leases and (B) Directing Payment of Post-
11 Petition Administrative Rent or, Alternatively, (C) Terminating the Automatic Stay [Dkt.
12 581; BPC-001] (the "Motion to Compel"). By the Motion to Compel, WFVFS seeks,
13 among other things, an order requiring the District to assume or reject two unexpired
14 executory contracts pursuant to which the District leases certain photocopying
15 equipment (as defined herein, "WFVFS's Potential Assumed Contract(s)").

16 E. On July 20, 2018, the District filed its Motion for Authority to Enter Into
17 Transaction Including Borrowing Funds, Sales of Personal Property and Providing
18 Security, Assumption and Assignment of Contracts and Leases and for Authority to
19 Lease Real Property Pursuant to 11 U.S.C. Sections 105, 362, 364, 901 and 922, as
20 well as certain declarations and exhibits in support thereof [Dkt. 603; WW-41]
21 (collectively, the "Transaction Motion").

22 F. By the Transaction Motion, the District designates WFVFS as having at
23 least one "Potential Assumed Contract" (i.e., WFVFS's Potential Assumed Contract(s))
24 and indicates that the amount of the District's default, which default the District must cure
25 to assume and assign WFVFS's Potential Assumed Contract(s) under Section 365 of the
26 Bankruptcy Code, is "\$0.00" (the "Cure Amount").

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EXHIBIT A
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1 G. On August 1, 2018, WFFVS filed an objection to the District's Transaction
2 Motion (Dkt. 640) ("Objection").

3 H. By the Objection, WFFVS objects, among other things, to the District's
4 Cure Amount.

5 I. On August 1, 2018, the Court entered an order approving the Parties'
6 stipulation to continue the hearing on the Motion to Compel to October 25, 2018, at 9:30
7 a.m. [Dkt. 637].

8 J. On August 2, 2018, the Court held a hearing on the Transaction Motion, at
9 which time the Parties agreed to continue the hearing on assumption and assignment of
10 WFFVS's Potential Assumed Contract(s) under either the Motion to Compel or the
11 Transaction Motion, to November 29, 2018 at 9:30 a.m. The Parties further agreed that
12 the District's deadline to file a response to the Objection shall not be later than
13 November 15, 2018. The continued hearing date and responsive deadline were
14 incorporated into the Court's order dated August 3, 2018. [Dkt. 678].

15 K. WFFVS has informed the District that the equipment that is the subject of
16 WFFVS's Potential Assumed Contract(s) are depreciating in value on a daily basis.
17 Accordingly, WFFVS has requested that the District determine whether it will assume or
18 reject WFFVS's Potential Assumed Contract(s) as soon as possible.

19 **STIPULATION AND AGREEMENT**

20 Subject to Court approval, the District and WFFVS hereby stipulate and agree as
21 follows:

- 22 1. The foregoing Stipulated Facts are incorporated herein by reference.
23 2. The District shall determine whether it will assume or reject WFFVS's
24 Potential Assumed Contract(s) by October 31, 2018.

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EXHIBIT A
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STIPULATION TO CONTINUE HEARING